UNITED
NATIONS

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General Assembly

Distr.
LIMITED

A/CONF.147/L.2
13 August 1990

Original: ENGLISH

SECOND UNITED NATIONS CONFERENCE
ON THE LEAST DEVELOPED COUNTRIES

Paris, 3 September 1990
Item 10 of the provisional agenda

NATIONAL AND INTERNATIONAL POLICIES AND MEASURES FOR ACCELERATING THE DEVELOPMENT PROCESS IN THE LEAST DEVELOPED COUNTRIES DURING THE 1990s IN ACCORDANCE WITH THEIR LONG-TERM NATIONAL, SOCIAL AND ECONOMIC OBJECTIVES, AND FINALIZATION AND ADOPTION OF A PROGRAMME OF ACTION FOR THE LEAST DEVELOPED COUNTRIES FOR THE 1990s

Note by the Secretary-General of the Conference

At the request of the Economic and Social Commission for Asia and the Pacific, a resolution on the Second United Nations Conference on the Least Developed Countries adopted by the Commission on 13 June 1990 is being made available to the Conference.

46/4. Second United Nations Conference on the Least Developed Countries

The Economic and Social Commission for Asia and the Pacific,

Recalling General Assembly resolutions 42/177 of 11 December 1987, 43/186 of 20 December 1988 and 44/220 of 22 December 1989 concerning the Second United Nations Conference on the Least Developed Countries to be held at a high level in Paris in September 1990,

Recalling also its resolution 271 (XLIV) of 20 April 1988 on the United Nations Conference on the Least Developed Countries,

Expressing deep concern at the continuing deterioration in the overall economic and social conditions in the least developed countries in spite of all the efforts thus far,

Recognizing that the Conference will provide an important opportunity for the international community to discuss and adopt an appropriate plan of action for the 1990s for the least developed countries,

1. Urges all Governments, intergovernmental and multilateral organizations, and others concerned to exert every effort to ensure the success of the Conference;

2. Calls upon all members and associate members in the Asian and Pacific region to participate actively in the Conference;

3. Notes with appreciation the work undertaken by the secretariat in preparation for the Conference;

4. Requests the Executive Secretary to take measures within available resources to enable the secretariat to be appropriately strengthened in its capabilities for review, follow-up and monitoring of the plan of action for the 1990s for the least developed countries, at the regional level;

5. Invites the member countries in a position to do so, other donor countries, multilateral funding agencies and financial institutions to provide extrabudgetary support to the secretariat in its efforts towards implementation of the new plan of action;

6. Requests the Executive Secretary to report to the Commission at its forty-seventh session on the implementation of the present resolution

708th meeting
13 June 1990

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A/CONF.147/L.3
13 August 1990

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SECOND UNITED NATIONS CONFERENCE
ON THE LEAST DEVELOPED COUNTRIES

Paris, 3 September 1990
Item 10 of the provisional agenda

NATIONAL AND INTERNATIONAL POLICIES AND MEASURES FOR ACCELERATING THE DEVELOPMENT PROCESS IN THE LEAST DEVELOPED COUNTRIES DURING THE 1990s IN ACCORDANCE WITH THEIR LONG-TERM NATIONAL, SOCIAL AND ECONOMIC OBJECTIVES, AND FINALIZATION AND ADOPTION OF A PROGRAMME OF ACTION FOR THE LEAST DEVELOPED COUNTRIES FOR THE 1990s

Note by the Secretary-General of the Conference

At the request of the Economic Commission for Africa, the statement by the tenth meeting of the Conference of Ministers of African Least Developed Countries on a Draft Programme of Action for the LDCs in the 1990s and a resolution, also by the Conference, on negotiations on a Programme of Action for the Least Developed Countries are being made available to the Conference.

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STATEMENT BY THE TENTH MEETING OF THE CONFERENCE OF MINISTERS OF AFRICAN LEAST DEVELOPED COUNTRIES ON THE DRAFT PROGRAMME OF ACTION FOR THE LDCs IN THE 1990s FOR THE SECOND UNITED NATIONS CONFERENCE ON LEAST DEVELOPED COUNTRIES

We, the Ministers of Economic Development and Planning of African Least Developed Countries (LDCs) have reviewed the implementation of the Substantial New Programme of Action (SNPA) for the 1980s for the least developed countries. The African LDCs experienced major setbacks in the 1980s. Most of the LDCs underwent a process of painful adjustment with austerity leading to widespread economic and social declines. Of particular significance was the sharp deterioration of social conditions in the African LDCs where there has been increased incidence of malnutrition, high infant mortality, lack of access to clean treated water, poor dwelling conditions and, in general, the inadequacy of basic social infrastructure and services. Unemployment has become endemic and the overall living conditions have fallen far below internationally acceptable levels.

Also our countries continued to suffer from extreme vulnerability to environmental degradation and serious disasters such as drought, floods, cyclones and locusts. The countries also continue to be seriously affected by the problems of refugees and displaced persons. In this context, we wish to express our appreciation for the international community for the relief and humanitarian assistance that our countries have received in the face of such disasters and also wish to appeal that such support be continued.

Income per capita fell by 0.9 per cent per annum, leading to a savings ratio of only 4.8 per cent of GDP while investment ratio was an average of 16 per cent of GDP with declines in domestic investments in productive capacity and physical infrastructure. The trade deficit persistently worsened from $US 5.2 billion in 1980 to $US 6.23 billion in 1988 resulting in consistent deterioration in the balance of payments. The debt stock rose almost three-fold from $US 18 billion in 1980 to $US 47 billion in 1989 with debt service absorbing 24.3 per cent of export earnings. The inflow of resources decreased in real terms by about 2.7 per cent per annum in the 1980s.

The SNPA established an annual gross domestic product (GDP) growth rate of 7.2 per cent, an annual growth rate of 4 per cent in agricultural production and at least 9 per cent rate of increase in manufacturing value added per annum. The actual rate achieved by the African LDCs in the 1980s was 1.9 per cent for GDP growth, 2 per cent for agriculture while manufacturing value added increased by an average of 1.7 per cent. While the criteria for LDCs stipulate a share of manufacturing in total GDP of 10 per cent, African LDCs attained a share of 9 per cent in 1989. The SNPA also called for the transfer of 0.15 per cent of donor GNP as ODA to the LDCs by 1985 or doubling of aid as compared to levels attained in 1976-1980. While some donors achieved this target, the average was only 0.09 per cent during the 1980s.

All the above factors, among others, undermined the hopes and optimism that was pinned on the Substantial New Programme of Action as adopted in Paris in 1981. We conclude, therefore, that the major objectives of the SNPA to introduce necessary structural changes in the LDCs economies and to attain minimum internationally acceptable standards of living for the LDCs population has not been achieved.

The Programme of Action for LDCs in the 1990s as drafted by the intergovernmental group of LDCs provides an appropriate framework for the negotiations at the second United Nations Conference on Least Developed Countries to be held in Paris, from 3 to 14 September 1990. Although a broad consensus was forged in the draft text, there are several issues which were

not resolved and thus remained in brackets. Other issues dealing with human rights, democratization, accountability and privatization were raised during the negotiations which are essentially of a political nature.

We note, however, that the Draft Programme of Action outlined four basic principles that should constitute the basis for action for the LDCs, their development partners including international organizations and financial institutions, to help a fundamental growth-oriented transformation of LDCs economies in the 1990s. These principles are:

(a) Success depends on a shared responsibility and strengthened partnership for the growth and development of LDCs;

(b) The least developed countries have the primary responsibility for the formulation and effective implementation of appropriate policies and priorities for their growth and development;

(c) The strengthened partnership for development requires the provision of adequate external support by the LDCs development partners;

(d) Commitments should be measurable and sufficiently transparent to enable monitoring and assessment of the Programme of Action.

Although there emerged a convergence of views on the above principles we wish to reiterate and reaffirm our commitments and stress that the primary responsibility for the overall development of our countries remains with our Governments as reflected in our Declaration adopted in Addis Ababa in April 1989 and the Declaration by the Ministers of Least Developed Countries adopted in Dhaka, Bangladesh in February 1990.

On the design of macro-economic policy framework and structural adjustment programmes in the 1990s, it should be recognized that the fragility of the African LDCs economies and their extreme vulnerability to external shocks require a more comprehensive approach to macro-economic management. Such an approach should be framed in a continuous process that links short-term stabilization and adjustment programmes with the broader and longer-term development objectives and transformation of the African LDCs economies as stipulated in the African Alternative Framework to Structural Adjustment Programmes for Socio-economic Recovery and Transformation (AAF-SAP). Of particular importance to our economies is the need to change production structures, increase the levels and rates of investment and diversify exports. It is essential that resource flows to LDCs are not linked to political considerations or acceptance of orthodox structural adjustment programmes. The LDCs development partnership should broaden its perspective from emphasis on conditionalities and make genuine efforts to devote resources for the eradication of poverty and under-development in the LDCs.

We regret that no agreement was reached on ODA targets and external debt, even though it was recognized that the LDCs require increased financial support in the 1990s. We wish, therefore, to reiterate the LDCs position which calls for doubling of ODA to the LDCs by 1995 as compared to current levels aiming to reach 0.20 per cent of donor GNP by the end of the 1990s. Also, an action-oriented debt strategy should seriously consider the complete write-off of all debt of LDCs without any conditionalities. In this regard and in the case of the African LDCs, we reaffirm our commitment to the African

common position on external debt. We wish to emphasize that the quality (quick-disbursing and highly concessional finance and targetted technical assistance) adequacy and predictability of resource flows will be crucial elements in the success of the implementation of the Programme of Action for the LDCs in the 1990s.

On commodities and related issues, the fact is that the majority of the African LDCs are predominantly mono-culture economies heavily dependent on a narrow range of primary agricultural products for the bulk of their foreign exchange earnings. Export diversification must be accompanied by appropriate measures to ensure increased access of the LDCs exports to the markets of industrialized countries. The LDCs should be encouraged to contribute increased value added to their commodity exports through processing, distribution and marketing without attracting high tariffs and non-tariff barriers. Special treatment and, where feasible, separate mechanisms, should be considered by multilateral, bilateral and multinational STABEX arrangements, especially the EEC/STABEX and SYSMIN and the IMF/CCFF.

We urge universal recognition and acceptance by all the donor community including international, financial and developmental institutions of the LDCs as a special category in accordance with the accepted clarification by the United Nations General Assembly. We appeal to the multilateral financial institutions in particular to apply the concept of the LDCs as a special group in all analytical and operational activities.

We reaffirm our overall commitments to the common LDCs position adopted at Dhaka, Bangladesh, on the above issues and other macro-, sectoral and other development related issues that will come before the second United Nations Conference on Least Developed Countries for negotiations and which will be the components of the Programme of Action for the Least Developed Countries in the 1990s.

We express our gratitude to the Secretary-General of the United Nations for his continued commitment to the relevance of universality in international economic and development co-operation. We express our appreciation and support to the Executive Secretary of ECA for his efforts in enhancing the effectiveness of our regional co-ordinating efforts and request him to transmit this statement to the appropriate bodies, in a timely manner.

Resolution on negotiations on a Programme of Action for the Least Developed Countries in the 1990s at the second United Nations Conference on Least Developed Countries

The Conference of Ministers,

Recalling United Nations General Assembly resolution 42/177 of 11 December 1987 which mandated the second United Nations Conference on Least Developed Countries to formulate, consider and adopt appropriate national and international measures for accelerating the development process in the least developed countries in the 1990s,

Recalling also its resolution 643 (XXIII) of 15 April 1988 on the preparation for the second United Nations Conference on Least Developed Countries which will be held in Paris from 3 to 14 September 1990,

Bearing in mind the statement on the Programme of Action for the Least Developed Countries in the 1990s adopted by the tenth meeting of the Conference of Ministers of African Least Developed Countries on the Programme of Action for the Least Developed Countries in the 1990s as the African LDCs common position, particularly as it relates to the unresolved issues,

Mindful of the broad consensus on the Programme of Action for the LDCs in the 1980s and taking into account the ongoing consultations aimed at promoting convergence of views on the outstanding issues,

1. Reaffirms its commitment to the common LDCs position as reflected in the Declaration by the Ministers of Least Developed Countries adopted in Dhaka, Bangladesh on 12 February 1990;

2. Calls on the African Group and the Group of 77 to continue to effectively co-ordinate the African position as reflected in the statement, and the common LDCs position respectively, and to be actively involved in the consultations being conducted by the Secretary-General of the United Nations Conference on Trade and Development, in his capacity as Secretary-General of the Conference, so as to assist in promoting convergence of views on the outstanding issues;

3. Recommends that appropriate arrangements should be made at the next OAU Summit in July 1990 for the current Chairman of the OAU to address the second United Nations Conference on Least Developed Countries. The presence of several African Heads of State and Government at the Paris Conference to lend their voices of support would also be of tremendous importance and have a positive impact on the outcome of the Conference;

4. Expresses its appreciation to the Secretary-General of the United Nations Conference on Trade and Development in his capacity as Secretary-General of the Conference, for the excellent arrangements made for the preparatory meetings and urges him to deploy necessary efforts that would lead to the forging of a broader consensus on the Programme of Action for the LDCs in the 1990s;

5. Welcomes the generous offer of the Government of France to host the Conference.

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